

Public Finance Management Act (PFMA) Principles

Based on SAQA's Unit Standard 114873 NQF Level 5, 3 Credits

Introduction

By attending this course, delegates will establish a working knowledge of basic financial procedures linked to the PFMA. Delegates will be taught how to use PFMA principles in order to modernise the system of financial management in the public sector.

Course Objectives

- Demonstrate an understanding of the PFMA
- Apply rules and regulations to administration of office finance
- Describe the elements of an income and expenditure statement
- Assist in planning and preparing a budget
- Analyse a basic balance sheet
- SALGA and PFMA compliance

Course Outline

Demonstrate an Understanding of the PFMA

- The principles, rules and regulations of the PFMA are explained
- The benefits of the PFMA are described
- The planning and budget cycle is explained
- The specific roles in financial administration are clarified
- Responsibility and accountability of the PFMA is explained

Apply Rules and Regulations to Administration of Office Finance

- The rules and regulations pertaining to the mission accounts are implemented
- Income and expenditure records and registers are maintained
- Processing of financial claims are completed to DFA prescripts
- Knowledge of methods of payment and exchange rate of currencies is demonstrated
- Expenditure and receipt vouchers are prepared

Describe the Elements of an Income and Expenditure Statement

- The purposes of an income and expenditure statement are explained and an indication is given of what the PFMA requirements are
- Sources of income and expenditure in a mission office are identified
- Sources of income and expenditure are explained with reference to an income and expenditure statement
- Income and expenditure statements are examined and evaluated in terms of PFMA principles

Assist in Planning and Preparing a Budget for Own Section

- Monthly income and expenditure is estimated for own section
- Motivation for the draft estimates is compiled
- Personnel expenditure is monitored to inform future estimates
- Monthly expenditure reports are compiled
- Skills in preparing a 1st/2nd budget report are developed
- Assistance is rendered in compiling the MTEF

Analyse a Basic Balance Sheet

- The purpose of a balance sheet is explained
- The concept of an asset is explained and the assets in a balance sheet are classified in terms of fixed and current assets
- The concept of a liability is explained and the liabilities in a balance sheet are classified in terms of long term and current liabilities

SALGA and PFMA compliance

- The importance of SALGA's compliance to PFMA
- Building a culture of compliance
- Risks when PFMA is not complied to